

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of the
SOUTHERN CALIFORNIA WATER COMPANY
(U 133 W) for an order authorizing it to increase
rates for water service by \$15,377,000 or 19.34% in
2004; by \$6,642,000 or 6.98% in 2005; and by
\$6,629,700 or 6.51% in 2006 in its Metropolitan
Service Area.

Application 03-10-006
(Filed October 6, 2003)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure,¹ this ruling sets the procedural schedule, assigns the principal hearing officer, and addresses the scope of the proceeding following a prehearing conference (PHC) held on November 24, 2003, before the assigned Administrative Law Judge (ALJ).

Background

Applicant Southern California Water Company (SoCalWater), a Class A water utility regulated by this Commission, seeks approval of its general rate case (GRC) application for the Metropolitan Service Area, also known as

¹ Unless otherwise indicated, all subsequent citations to rules refer to the Rules of Practice and Procedure, which are codified at Chapter 1, Division 1 of Title 20 of the California Code of Regulations.

Region II. The application requests rate increases for test years 2004 and 2005 and for the attrition year, 2006.

The Commission's Office of Ratepayer Advocates (ORA) filed a protest to the application on November 10, 2003. ORA's proposes to investigate "the usual issues presented in a general rate case" and specifically targets the following:

(1) whether the estimated revenues, expenses, rate base and rate of return are reasonable; (2) whether the proposed rate design is in the public interest; (3) the appropriate ratemaking treatment for the sale of [SoCalWater's] water rights at Charnock basin to the City of Santa Monica and the compensation [SoCalWater] received, to the extent applicable in this proceeding ... (ORA protest, p. 1.)

ORA states that its review of the application and supporting documentation may generate other specific areas of inquiry.

Scope of the Proceeding

The broad issue in this proceeding is whether it is reasonable to authorize the increase in rates for the Metropolitan Service Area that SoCalWater requests. To reach its determination, the Commission will undertake a comprehensive review of SoCalWater's current and forecasted operations (e.g., customer numbers, supply costs, maintenance costs) and its current and forecasted cost of money (e.g., capital structure, costs of long-term debt, projections of fair return on equity). This comprehensive review will include the issues identified in ORA's protest. It also will explore further the PHC discussion regarding the appropriateness of continuing, until the next Region II GRC, the balancing account for the low-income assistance program (known as CARW).

Discovery

The Commission will not impose a discovery plan on the participants. Any discovery dispute, which they cannot resolve between themselves, after a

good faith effort to meet and confer, may be raised by written motion in accordance with Rule 45 and the Commission's Resolution ALJ-164. The Commission generally looks to the Code of Civil Procedure for guidance in resolving discovery disputes.

Schedule

The schedule for this proceeding is as follows:

Week of December 1, 2003	Utility and ORA provide ALJ w/ jt proposal for location (and alternate) for a PPH in SW part of Region II and a PPH in Central part of Region II.
December 5, 2003	Utility distributes amended rate history table, per ALJ's PHC direction.
December 15, 2003	Utility distributes amended CARW prepared testimony, per ALJ's PHC direction.
After January 15, 2004 (dates to be set)	PPHs in two locations.
February 9, 2004	ORA distributes report.
February 23, 2004	Utility distributes rebuttal testimony.
March 1, 2004, 9:00 a.m. - 3:30 p.m., to be continued day to day as necessary through March 5, 2004	Evidentiary Hearing, Commission Courtroom, 505 Van Ness Avenue, State Office Building, San Francisco, CA 94102.
March 26, 2004	Concurrent initial briefs filed.

April 9, 2004	Concurrent reply briefs filed; case submitted.
No later than July 8, 2004	Proposed decision filed within 90 days of submission (Pub. Util. Code § 11(d)).
1 st Commission meeting 30 days after proposed decision filed.	Proposed decision on Commission agenda for Commission vote.

As indicated above, the anticipated submission date is tied to the date parties file concurrent reply briefs, as are all subsequent statutory dates. The proposed decision will be filed as soon following submission as the ALJ's workload permits.

Category of Proceeding and Need for Hearing

This ruling confirms this is ratesetting proceeding and that hearings are anticipated, as preliminarily determined in Resolution ALJ 176-3121, which issued on October 16, 2003.

Assignment of Principal Hearing Officer

ALJ Jean Vieth will be the principal hearing officer.

Ex Parte Rules

Ex parte communications are permitted in ratesetting proceedings subject to the restrictions and reporting requirements in Pub. Util. Code § 1701.3(c) and Rule 7.

IT IS RULED that:

1. The scope of the proceeding is as set forth herein.
2. The schedule for this proceeding is set forth herein.
3. The principal hearing officer will be Administrative Law Judge Vieth.

4. This ruling confirms that this proceeding is a ratesetting proceeding and that hearings will be set.

5. Ex parte communications are permitted subject to the restrictions and reporting requirements in Pub. Util. Code § 1701.3(c) and Rule 7 of the Commission's Rules of Practice and Procedure.

Dated December 3, 2003, at San Francisco, California.

/s/ CARL WOOD

Carl Wood
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated December 3, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.